

SMALL BUSINESS LOAN FUND CORPORATION

MINUTES OF THE BOARD OF DIRECTORS

December 19, 2013

PUBLIC SESSION

A monthly meeting of the Board of Directors (the "Board") of the Small Business Loan Fund Corporation (the "Corporation") was held in public session at the offices of the Rhode Island Economic Development Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island on Thursday, December 19, 2013, scheduled for 8:30 a.m., pursuant to notice of the meeting to all Directors, and public notice of the meeting as required by the By-Laws of the Corporation and by Rhode Island General Law 42-46-6.

The following Directors were present and participated throughout the meeting: Mr. Raymond Fogarty, Mr. John Pagliarini, Ms. Yahaira Placencia and Mr. Richard DeMerchant.

The following Directors were absent: Mr. Jose Monteiro

Also present were: Stacy Farrell, Corporation Secretary, Mr. Daniel Price, Corporation Administrator, Ms. Denise Barge, Corporation Staff, Mr. Marcel Valois, Executive Director of the Rhode Island Economic Development Corporation, and Ellen Corneau, Esq., Moses Afonso Ryan Ltd.

Mr. Fogarty presided over the meeting.

1. Call to Order.

Mr. Fogarty called the meeting to order at 8:36 a.m.

2. Approval of the Minutes of the Meeting held on November 21, 2013

The first item to come before the Board was approval of the Minutes of the Board meeting held on November 21, 2013. Upon motion duly made by Ms. Placencia and seconded by Mr. Pagliarini, the motion to approve the Public and Executive Session Minutes of the above noted meeting as presented was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Pagliarini, Ms. Placencia, Mr. Fogarty and Mr. DeMerchant.

The following Directors voted against the foregoing: None

The following Directors were absent for the vote: Mr. Monteiro.

3. Maintain the Executive Minutes of the November 21, 2013 meeting as Confidential

The next item to come before the Board was a vote to maintain the confidentiality of the Executive Session Minutes of the Board meeting held on November 21, 2013. Upon motion duly made by Ms. Placencia and seconded by Mr. Pagliarini, the motion to maintain the confidentiality of the Executive Session Minutes of the above noted meeting as presented was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Pagliarini, Ms. Placencia, Mr. Fogarty and Mr. DeMerchant.

The following Directors voted against the foregoing: None

The following Directors were absent for the vote: Mr. Monteiro.

4. Report of Cash Position as of November 30, 2013

Staff asked if there were any questions or comments regarding the Cash Report for the period ended November 30, 2013 (Exhibit A). Staff noted that since the creation of the report TO Nam Sausage, Inc. had closed and funded. There was no further discussion regarding this report.

5. Delinquency Loan Report as of December 13, 2013

Mr. Fogarty asked if there were any questions regarding the Loan Delinquency report dated December 13, 2013 (Exhibit B). Mr. Price noted that further discussion could take place in Executive Session regarding any legal action to be taken against delinquent Borrowers. He also stated that Design Formations was in the process of closing on additional financing and the loan would be paid off within days. It was also noted that payments had been received by Providence Specialty Products and Baccala Concrete.

6. Approval of the Regular Meeting Schedule of the Corporation for 2014

Staff presented the proposed meeting schedule of the Corporation for 2014 (Exhibit C). Upon motion duly made by Ms. Placencia and seconded by Mr. Pagliarini, the motion to accept the Corporations meeting schedule for 2014 as presented was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Pagliarini, Ms. Placencia, Mr. Fogarty and Mr. DeMerchant.

The following Directors voted against the foregoing: None

The following Directors were absent for the vote: Mr. Monteiro.

7. Other Business

There was no other business brought before the Board in Public Session.

Executive Session

Mr. Fogarty suggested that the Board move into Executive Session. Upon motion duly made by Ms. Placencia and seconded by Mr. Pagliarini, the motion to move the meeting into Executive Session pursuant to Rhode Island Open Meetings Law 42-46-5(a)(6) of the General Laws of the State of Rhode Island, as amended, was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Pagliarini, Ms. Placencia, Mr. Fogarty and Mr. DeMerchant.

The following Directors voted against the foregoing: None

The following Directors were absent for the vote: Mr. Monteiro.

Public Session concluded and Executive Session began at 9:02 a.m.

8. Executive Session Vote Ratification

Mr. Fogarty called for ratification of the votes adopted during Executive Session. Upon motion duly made by Ms. Placencia and seconded by Mr. Pagliarini, the following votes were ratified:

- (a) To modify the deferred interest rate in a step down manner as outlined in Executive session.

The following Directors voted in favor of the foregoing: Mr. Pagliarini, Mr. Fogarty and Ms. Placencia.

The following Directors voted against the foregoing: Mr. DeMerchant.

The following Directors were absent for the vote: Mr. Monteiro.

- (b) To liquidate assets relating to the Local Hooker Rods transaction.

The following Directors voted in favor of the foregoing: Mr. Pagliarini, Mr. DeMerchant, Mr. Fogarty and Ms. Placencia.

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: Mr. Monteiro.

Adjournment

There being no further business to come before the Board, Mr. Fogarty called for a vote to adjourn the meeting. Upon motion duly made by Ms. Placencia and seconded by Mr. Pagliarini, the motion to adjourn the meeting was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Pagliarini, Mr. Fogarty, Ms. Placencia and Mr. DeMerchant.

The following Directors voted against the foregoing: None

The following Directors were absent for the vote: Mr. Monteiro.

The meeting was adjourned at 10:00 a.m.

Respectfully submitted,

/s/Stacy Farrell

Stacy Farrell, Secretary